

Message Text

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TO AMEMBASSY LAGOS

C O N F I D E N T I A L STATE 197703

FOLLOWING TEL SENT ACTION SECSTATE, CONAKRY INFO USDOC WASHDC,
PRETORIA FROM PARIS AUG 06:

QUOTE C O N F I D E N T I A L PARIS 22990

DEPT MAY WISH PASS OAU COLLECTIVE

E.O. 11652: GDS
TAGS: PFOR, PGOV, FR, GV, SF
SUBJECT: FRANCO-SOUTH AFRICAN POWER REACTOR CONTRACT

REF: CONAKRY 1532

1. FOLLOWING STATEMENT PREPARED BY EMBASSY AFTER
CAREFUL RESEARCH IS UNCLASSIFIED AND MAY BE USED IN
HANDOUTS TO INTERESTED AFRICAN OFFICIALS. BEGIN
UNCLASSIFIED:

CONSORTIUM CONSTRUCTING SOUTH AFRICAN NUCLEAR POWER
PLANT CONSISTS OF FRAMATEG, SPIES BATIGNOLLES, AND
ALSTHOM.

I. FRAMATEG, WHICH LEADS CONSORTIUM, SPECIALIZES IN
CONSTRUCTION OF OVERSEAS NUCLEAR POWER PLANTS.
IT IS OWNED AS FOLLOWS: FRAMATOME (60 PER CENT),
CREUSOT-LOIRE (20 PER CENT), AND CREUSOT-LOIRE

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ENTERPRISES (20 PER CENT). THESE FIRMS IN TURN

ARE IN THE FOLLOWING HANDS:

A. FRAMATOME

1. CREUSOT-LOIRE (51 PER CENT)
2. FRENCH ATOMIC ENERGY COMMISSION (CEA)
(30 PER CENT)
3. WESTINGHOUSE (15 PER CENT)
4. EMPAIN SCHNEIDER (INDIRECT) (4 PER CENT)

B. CREUSOT-LOIRE

1. CIE FINANCIERE CREUSOT-LOIRE (51.5 PER
CENT)
2. MARINE WENDEL (6.5 PER CENT)
3. SCHNEIDER S.A. (1.5 PER CENT)

C. CREUSOT-LOIRE ENTERPRISES

1. CREUSOT-LOIRE (80 PER CENT)
2. SCHNEIDER S.A. (3 PER CENT)

IT SHOULD BE NOTED THAT SCHNEIDER S.A. CONTROLS 50 PER CENT OF CIE FINANCIERE CREUSOT-LOIRE. SCHNEIDER S.A. (FRENCH) AND ELECTRO-RAIL (BELGIAN) COMPRISE EMPAIN SCHNEIDER GROUP WHICH HAS HOLDINGS WORLDWIDE. SCHNEIDER S.A. HOLDS MAJORITY SHARES OF EMPAIN SCHNEIDER. BARON EDOUARD EMPAIN, BELGIAN CITIZEN RESIDING IN FRANCE, IS PRESIDENT-DIRECTOR GENERAL OF SCHNEIDER S.A.

II. SPIES BATIGNOLLES WILL DO CIVIL ENGINEERING FOR PROJECT. THIS FIRM CONTROLLED AS FOLLOWS:

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- A. SCHNEIDER S.A. (82 PER CENT)
- B. DONG-TRIEN (8 PER CENT) (CONTROLLED BY
SCHNEIDER S.A.)

III. ALSTHOM WILL PROVIDE TURBO-ALTERNATORS FOR PLANT. PRINCIPAL SHAREHOLDERS OF ALSTHOM ARE:

A. COMPAGNIE GENERALE D'ELECTRICITE (FRENCH)

(56.3 PER CENT)

B. COMPAGNIE FINANCIERE DE SUEZ (3.8 PER CENT)

C. L'OMNIUM DE PARTICIPATIONS FINANCIERES ET
INDUSTRIELLES (1.08 PER CENT)

U.S. FIRMS OBVIOUSLY DO NOT HAVE CONTROLLING EQUITY
IN FRENCH CONSORTIUM SELLING POWER REACTOR SYSTEMS.
ONLY EQUITY DIRECT OR OTHERWISE WE CAN DETECT IS
WESTINGHOUSE'S 15 PER CENT EQUITY IN FRAMATOME. THIS
AMOUNTS TO 9 PER CENT INDIRECT IN FRAMATEG, LEADER
OF CONSORTIUM (15 PER CENT OF 60 PER CENT EQUALS 9
PER CENT). THERE IS NO DISCERNIBLE U.S. EQUITY IN
SPIES BATIGNOLLES OR ALSTHOM. SHARES UNACCOUNTED FOR
IN FOREGOING LISTINGS ARE WIDELY HELD BY PRIVATE
INVESTORS PRESUMED LARGELY EUROPEAN. CREUSOT LOIRE,
SCHNEIDER, AND SUEZ ARE ALL QUOTED ON PARIS BOURSE.
END UNCLASSIFIED.

2. NOTE THAT AMBASSADOR'S HARROP'S STATEMENT TO MAMADI
KEITA COVERED IN PARA 2 OF REFTTEL CONCERNING DIFFER-
ENCES BETWEEN FRENCH AND U.S. NUCLEAR POWER TECHNOLOGY
IS NOT STRICTLY CORRECT. FRENCH CONSORTIUM WILL IN
FACT USE WESTINGHOUSE PRESSURE WATER REACTOR TECHNOLOGY
VERY SIMILAR TO THAT CURRENTLY EMPLOYED IN FRENCH
NUCLEAR POWER PROGRAM.

3. ADDRESSEES MAY WISH TO EMPHASIZE IN ORAL COMMENTS
TO AFRICAN OFFICIALS THAT WESTINGHOUSE, FAR FROM
DOMINATING FRENCH NUCLEAR POWER INDUSTRY, HAS BEEN
PROGRESSIVELY SQUEEZED OUT OF FRAMATOME UNDER GOF
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PRESSURE AND WILL VERY LIKELY LOSE ITS REMAINING
15 PERCENT SHARE IN 1982. GAMMON UNQUOTE ROBINSON

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